

# Small Business Administration Loan Programs

Mark Costello

U.S. Small Business Administration

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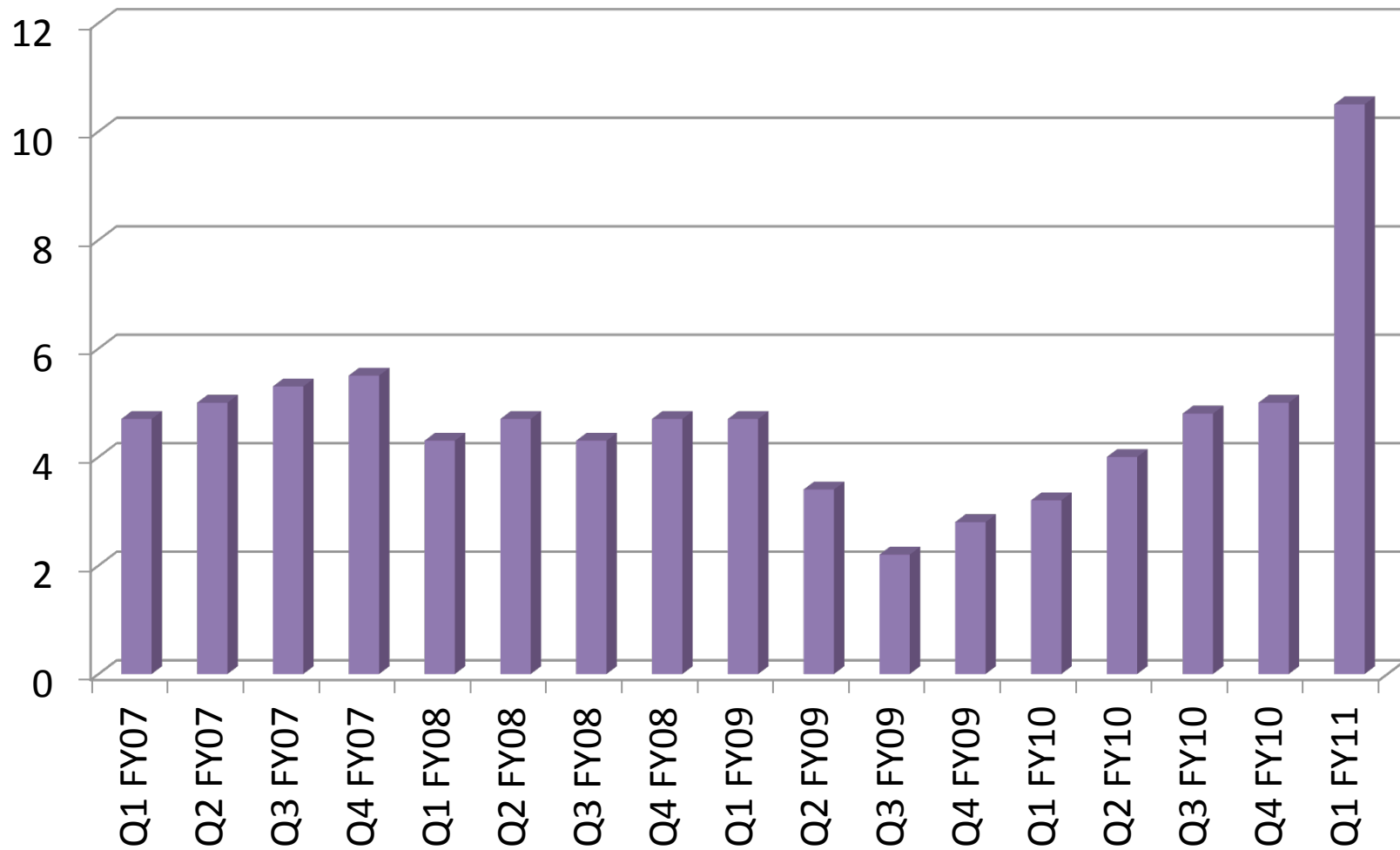
# SBA Overview

- Mission: Aid, counsel, assist and protect the interests of U.S. small businesses
- Key Program Areas
  - Financing
  - Counseling and Training
  - Contracting
- Footprint
- Key partner organizations

# SBA Financing

- 7(a) Guaranteed loan program
  - Loans made by authorized participating lenders
  - Over 100 active in the Seattle District
- 504 Certified Development Company loan program
  - Loans facilitated by licensed Certified Development Companies
  - Four active CDC's in the Seattle District
- Microloan Program
  - Loans up to \$50,000 made by authorized intermediaries
  - Four active microlenders in the Seattle District

# SBA Loans in Billions



# 7(a) Guaranteed Loans

- Available from most commercial lenders
- SBA guaranties up to 85% of loan
- Mitigates risk to lender & facilitates otherwise unavailable financing
- (New) maximum loan amount = \$5 Million, no minimum; Avg. loan = \$290 Thousand
- Interest rates limited:  $P+2-1/4\%$  to  $P+2-3/4\%$ 
  - Rates can be fixed
- Maturities up to 25 years depending on use
- Guaranty fee of 2-3.5% of guaranteed portion; lender can charge packaging fee

# SBA 7(a) Loans- Typical Cases

- Lack of Earnings history
  - New Business
  - Early Stage Business
- Insufficient collateral
- Longer term than conventionally available
- Industry considerations

# 504 Loans

- Suited for larger capital expansion projects
- 50/40/10 structure is typical
- SBA share can now be up to \$5 million (Jobs Act)
- Low down payment, long term fixed rates
- Designed to facilitate job creation
- CDC's:
  - Evergreen CDA- (206)622-3731
  - Northwest BDA- (509)458-8555
  - Ameritrust CDC- (206)402-3971

# Who's Getting SBA Loans?

## (Seattle District Loans Ranked by Industry FY10)

| SBA FY10 Seattle District Lending by Industry                             |         |              |  |
|---|---------|--------------|--|
| NAICS Industry  | # Loans | \$ Loans     |  |
| Full-Service Restaurants  | 75      | \$26,089,200 |  |
| Offices of Dentists   | 65      | \$36,116,600 |  |
| Limited-Service Restaurants   | 64      | \$13,918,900 |  |
| Gasoline Stations with Convenience Stores                                 | 58      | \$45,642,800 |  |
| Offices of Physicians (except Mental Health Specialists)                  | 40      | \$19,213,900 |  |
| Hotels (except Casino Hotels) and Motels                                  | 38      | \$37,828,000 |  |
| Offices of Chiropractors  | 37      | \$6,188,800  |  |
| All Other Specialty Trade Contractors                                     | 34      | \$8,049,100  |  |
| Site Preparation Contractors  | 32      | \$8,092,600  |  |
| Convenience Stores  | 29      | \$6,833,687  |  |
| Veterinary Services   | 26      | \$12,643,700 |  |
| All Other Personal Services   | 25      | \$3,585,900  |  |
| Supermarkets and Other Grocery (except Convenience) Stores                | 24      | \$11,925,000 |  |
| Electrical Contractors  | 22      | \$3,219,900  |  |
| Landscaping Services  | 22      | \$1,968,300  |  |
| Plumbing, Heating, and Air-Conditioning Contractors                       | 21      | \$6,375,500  |  |
| Beauty Salons   | 20      | \$4,039,400  |  |
| Offices of Lawyers  | 20      | \$4,403,800  |  |
| Offices of Physical, Occupational and Speech Therapists, and Audiologists | 19      | \$4,442,000  |  |
| Commercial and Institutional Building Construction                        | 18      | \$2,418,800  |  |
| Automotive Body, Paint, and Interior Repair and Maintenance               | 16      | \$4,063,500  |  |
| Residential Remodelers  | 16      | \$1,988,600  |  |
| Drycleaning and Laundry Services (except Coin-Operated)                   | 15      | \$1,326,186  |  |
| New Car Dealers   | 15      | \$8,085,000  |  |
| Snack and Nonalcoholic Beverage Bars                                      | 15      | \$1,598,900  |  |



# Who's Making SBA Loans?

## (Top 7(a) Lenders in Seattle District for FY10)

### Seattle District FY10 SBA Lending

#### 7(a) Guaranteed Loan Program

| <b>Lender Name</b>             | <b>Number of Loans</b> | <b>Total Loan Amount</b> |
|--------------------------------|------------------------|--------------------------|
| U.S. BANK NATIONAL ASSOCIATION | 138                    | \$21,986,700             |
| JPMORGAN CHASE BANK NATL ASSOC | 133                    | \$13,354,000             |
| MOUNTAIN WEST BANK, IDAHO      | 128                    | \$30,319,300             |
| NUMERICA CU                    | 107                    | \$4,462,400              |
| WELLS FARGO BANK NATL ASSOC    | 94                     | \$29,137,900             |
| KEYBANK NATIONAL ASSOCIATION   | 85                     | \$14,299,300             |
| PACIFIC INTERNATIONAL BANK     | 70                     | \$29,621,773             |
| SUPERIOR FINANCIAL GROUP, LLC  | 52                     | \$530,000                |
| SOUTH SOUND BANK               | 50                     | \$26,925,900             |
| PANHANDLE STATE BANK           | 48                     | \$10,295,400             |
| FIRST HERITAGE BANK            | 44                     | \$14,633,100             |
| FORTUNE BANK                   | 41                     | \$15,062,300             |
| UNIBANK                        | 35                     | \$18,009,700             |
| COLUMBIA STATE BANK            | 34                     | \$8,575,500              |
| VIKING BANK                    | 33                     | \$6,734,500              |
| PEOPLES BANK                   | 31                     | \$4,066,300              |
| CENTER BANK                    | 28                     | \$19,147,000             |
| HANA SMALL BUS. LENDING INC.   | 26                     | \$14,129,000             |
| BANK OF THE PACIFIC            | 25                     | \$8,894,000              |
| HERITAGE BANK                  | 22                     | \$8,271,600              |
| WHIDBEY ISLAND BANK            | 21                     | \$8,236,100              |